

*RFP 2010-01, NH PDIP
Request for Proposals for Investment Management Services, Recordkeeping,
Administrative Services and Custodial Services*

of the

New Hampshire Public Deposit Investment Pool

Issued by:

*The New Hampshire Banking Department Commissioner
and the
Public Deposit Investment Pool Advisory Committee*

Issued: MAY 14, 2010

RFP Question Deadline: JUNE 14, 2010 Time: 2:00 PM EDST

Proposal Submission Deadline: JULY 20, 2010 Time: 2:00 PM EDST

Proposal Submission Location: Office of the Commissioner
New Hampshire Banking Department
53 Regional Drive Suite 200
Concord, NH 03301

RFP@banking.state.nh.us

Cover Page

NOTICE TO PROPOSERS

COMPLETE AND SEND THE FORM BELOW TO: the NH Banking Department Commissioner by e-mail to RFP@banking.state.nh.us as soon as possible or by the ***RFP Question Deadline*** noted on the cover page of this RFP. An e-mail address must be included.

REQUEST TO RECEIVE COPIES OF NOTICES, AMENDMENTS OR ANSWERS TO QUESTIONS

RFP Name	NH PDIP Investment Management Services, Recordkeeping and Administrative Services and Custodial Services
Company name	_____
Mailing address	_____ _____ _____
Phone number	_____
Fax number	_____
Contact person	_____
E-mail address	_____

Amendments

There may be one or more amendments to this Request for Proposal (RFP). Acknowledgement of all amendments whether received by the Proposer or not are assumed by virtue of a proposal having been submitted in accordance with instructions put forth in this RFP.

Pre-Proposal Questions Regarding RFP

Pre-proposal questions related to this Request for Proposal must be received via e-mail to RFP@banking.state.nh.us by the ***RFP Question Deadline*** noted on the cover page of this RFP. The Banking Department will send electronic confirmation of questions received.

Responses to each question will be distributed to all Proposers via email to the address provided on the form above by July 9, 2010 at 2 p.m. EDST and be posted on the Banking Department's website located at: <http://www.nh.gov/banking/pdiprfp.html>

Communications Prohibited with Principals

Except as stipulated above, there shall be no communication relative to the RFP or the RFP process between a Proposer or anyone acting on behalf of the Proposer, and any of the following:

- (a) Commissioner;
- (b) Advisory Committee Member;
- (c) Member of the Commissioner's staff;

(d) Person or entity in a position to approve or review a Proposal; or

(e) Person in position to influence the decision of the Commissioner and/or a Committee Member.

Any other communication shall be grounds for disqualification of a Proposal. The Commissioner and Committee are not bound by oral or written information released prior to the issuance of this RFP.

TABLE OF CONTENTS

	Page
Notice to Proposers	i
Request to Receive Copies of Notices, Amendments or Answers to Questions Form Amendments Pre-Proposal Questions Regarding RFP Communications Prohibited with Principals	
I. Definitions.....	1
II. Overview and Background of NH PDIP.....	1
III. Instructions	3
IV. Conditions.....	4
V. Requirements for Proposal.....	13
VI. Criteria for Award.....	23
<u>Exhibits</u>	27
Exhibit A Certification of Compliance with Requirements of RFP	
Exhibit B Supplemental Pool Information – Assets Under Management	
Exhibit C Ban 900 Rules	
Exhibit D Transaction Sample for Fee Calculation	
Exhibit E Investment Policy and Objectives	

I. DEFINITIONS

Committee: The Advisory Committee as defined under NH RSA 383:24.

Commissioner: The Banking Commissioner of the State of New Hampshire duly appointed, the Honorable Peter C. Hildreth.

Net Asset Value (NAV): A valuation consistent with the provisions of a 2a-7 like pool as defined by Statement No. 31 of the Governmental Accounting Standards Board (GASB). The Pool seeks to preserve and maintain the value of its investment at \$1.00 per share.

Participants: As defined under NH RSA 383:22, I.

Pool: The New Hampshire Public Deposit Investment Pool as defined under NH RSAs 383:22-24 and its members.

Proposal: A response submitted by a Proposer which meets all the criteria of NH RSA 383:22, II, and rules promulgated thereunder and this RFP.

Proposer: Duly qualified providers who submit a Proposal.

Provider(s): The provider(s) of services to the Pool by contract including the lead or submitting provider and any subcontracted providers, those contracted pursuant to this RFP or under the current service contract(s).

Representative: The designated contact person for the Proposer.

RFP: This solicitation of proposals by the Commissioner and the Committee.

Selected Proposer: The Proposer whose Proposal has been most responsive to the RFP and the needs of the Pool at the sole discretion of the Commissioner and the Committee.

II. OVERVIEW AND BACKGROUND OF NH PDIP

A. Overview and Purpose of the RFP

This RFP is issued by the Commissioner and Committee on behalf of the Pool. The Pool is seeking competitive proposals from qualified investment managers to provide, or arrange for the provision of, investment advisory services, administrative and investment management services, member services, custodial services, auditing services and other services appropriate for the successful operation and administration of the Pool.

It is the intention of this RFP to result in a contract for the full range of services identified herein with a single provider. The Proposer can either provide the full range of services directly to the Pool or can subcontract, to the satisfaction of the Commissioner and Committee, for the full range of required services.

The Pool operates with the objective of providing a 'stable' NAV of one dollar (\$1.00) and providing 100% liquidity to its members on a daily basis. The contract for services resulting from this RFP is intended to meet the requirements of RSA 383:22-24 that created and sustains the Pool as well as other applicable Federal and State laws, rules, regulations, guidelines and best industry practices whether defined hereunder or not.

B. Background Information Regarding NH PDIP

1. Current Service Providers: Since its inception, the Pool has received investment management services including advisory, custodial, client, auditing and administrative and recordkeeping services through a contract with MBIA Municipal Investors Service Corporation n/k/a Cutwater Asset Management (CAM). Custodial services have been subcontracted to Bank of America. Auditing services are provided by PriceWaterhouseCoopers through agreement with CAM subject to approval by the Commissioner and Committee.

CAM, in addition to providing these services also provided a Credit Facility (letter) that guaranteed the principal and accrued interest of the Pool.

2. Current Services: Prospective Proposers are advised to visit and review the Pool website for an up-to-date view of products and services available to Participants. <http://nhpdip.com/home/>

3. Pool Administrative Charges: The Selected Proposer shall be responsible for the reasonable costs of administrative responsibilities pertaining to periodic review and solicitation of RFP for these investment management services.

4. Pool Objectives: All funds deposited in the Pool, subject to the governance, direction and oversight of the Commissioner and Committee are invested using a policy adopted by the Commissioner and Committee to achieve investment safety, provide daily liquidity for each participant, and for the attainment of competitive rates of return on invested pool funds. (Exhibit E).

5. Current Pool Permitted Investments: The Pool's currently permitted investments (Exhibit E) are limited to short-term U.S. Treasury and U.S. Government agency obligations, A1/P1 rated commercial paper, State of New Hampshire and New Hampshire municipal obligations, certificates of deposit A1/P1-rated banks, and money market mutual funds, the investments of which conform to the Pool's list of permitted investments, overnight to 30-day repurchase agreements with primary dealers or dealer banks, and reverse overnight repurchase agreements with primary dealers or dealer banks, with cash collateral invested in pool permitted investments. The maximum weighted average maturity of the Pool's portfolio shall not exceed 90 days.

6. Statutory Construction: Pursuant to RSAs 383:22-24, in 1991, the Commissioner with the assistance of an Advisory Committee established and now operates the New Hampshire Public Deposit Investment Pool.

7. Current Assets Under Management and Participants: As of January 30, 2010, Pool assets were valued at \$ 305,482,319 with approximately 700 participants. Supplemental information about the Pool is available in Exhibit B.

III. INSTRUCTIONS

1. Response

The lead Proposer must submit a single response to the RFP as the lead agent and on behalf of any and all sub-agents or subcontractors proposed to be a party to the provision of services required by the RFP.

All conditions, requirements and questions must be addressed in the order put forth in the RFP utilizing Exhibit A. RFP questions must be restated before the response. If printed matter is supplied by the Proposer as supplemental information, supplemental information shall be marked with the corresponding requirement or question to which it applies.

2. Fees

Fees quoted by the Proposer must be detailed and include the basis upon which they will be applied, i.e., the basis period, basis amount and rate basis. A representative sample of the construction of a periodic fee calculation should be provided using the monthly investment and member activity provided in Exhibit D and the charges proposed.

3. Compliance with Specifications

Proposers must comply with all RFP specifications. Unless otherwise noted in your cover letter and otherwise disclosed in accordance with the provisions of this RFP (Appendix A), it is assumed your response is intended to conform to the specifications in every way. The Proposer is responsible for clarifying any ambiguity, conflict, discrepancy, omission, or other error in the Request for Proposals before submitting a response; otherwise, the right to raise such issues shall be waived. See **Notice to Proposers** for the method to seek clarification or obtain answers to questions prior to the response due date.

4. Notice and Method for Withdrawal of Proposal After the Due Date Has Passed

A proposal may be withdrawn at any time. To withdraw a proposal, the Proposer shall submit a written request to withdraw to the Commissioner via email. The date the Commissioner receives the request is the date of withdrawal.

5. Exceptions to RFP Requirements

If it is unavoidable to submit a proposal with exceptions, 'exceptions' must be so-noted in the required cover letter identifying that exceptions have been taken and referencing that a full explanation of exceptions is contained on the Certification of Compliance with Requirements of RFP Form (Exhibit A) provided for at the end of this Request for Proposal.

6. Submission of Proposals Including Exhibits/Attachments– Copies Required

The lead Proposer must submit:

1. A single proposal as the lead proposer and on behalf of any and all sub-agents or subcontractors proposed to be a party to the provision of services required by the RFP, and
2. A total of 13 bound copies by the date, time and to the location noted on the cover page of this RFP.

The original shall be marked “master” and 12 copies shall be marked and numbered “copy number (1 through 12)”. The signed and marked master document shall be the official RFP submitted. All proposals must be clearly marked as follows:

State of New Hampshire Banking Department
Response to RFP Number 2010-01
Public Deposit Investment Pool Proposal

IV. CONDITIONS

1. Rights Reserved

The Commissioner and Committee reserve the right to waive minor formalities in any proposal, to accept any proposal which the Commissioner and the Committee consider to be in the best interest of the NH PDIP participants, to reject any part of, or any and all proposals, and to consider alternate proposals.

2. Elimination

All RFP conditions must be acknowledged and requirements and questions answered. Failure to respond to all questions may lead to elimination from consideration.

3. Fees

The Commissioner and Committee will consider all costs associated with a Proposer’s products and services. A Proposer must fully disclose fees based on the information provided in this RFP. The fee structure must be guaranteed for the full term of the contract. The Commissioner and Committee will consider the Proposer’s willingness to negotiate appropriate fee reductions for pool expenses.

4. Minimum Period for Validity of Proposal

The Proposer shall agree to maintain the validity of the proposal for a minimum of eight (8) months from the submission date. This term may be extended by mutual agreement between the Proposer and the Commissioner and Committee.

5. Proposer's Representative Available

Proposers must have a representative available who shall be the single point of contact able to provide continuous communications, respond to inquiries and meet on a regular basis with the Commissioner and Committee during the period up to and including execution of a contract. This representative needs to be identified in the response to this RFP as an official representative of the Proposer.

6. Proposer is Duty Bound to Contract

The Selected Proposer must execute a contract providing the specified package of services in accordance with the Commissioner and Committee's requirements of the RFP within three (3) months of being notified it is a Selected Proposer unless an extension is granted upon the discretion of the Commissioner and Committee.

7. Right of Refusal, Rejection and to Proceed to Next Respondent

The Commissioner and Committee reserve the right to postpone or cancel this RFP and to reject any or all proposals. The Commissioner and Committee reserve the right to refuse to execute a contract with a Proposer found to be non-responsive by the Commissioner and Committee. If no agreement is reached with a Proposer within a period of time considered reasonable by the Commissioner and Committee, the Commissioner and Committee may terminate negotiations and select another Proposer, issue a new RFP, or take any other action consistent with the Pool's best interests. No Proposer shall have any rights against the Pool or the Commissioner and Committee arising from such action.

8. No Obligation to Contract by Commissioner and Committee

By issuing this RFP, the Commissioner and Committee are not obligated to award a contract.

9. Reserve the Right to Reject Personnel – Duty to Notify

The Commissioner and Committee reserve the right to accept or reject personnel designated by the Proposer for program management or service delivery, both as a condition of the initial contract and throughout the term of the contract. A Selected Proposer and providers must notify the Commissioner and Committee of all changes in the personnel assigned to this engagement.

10. Equal Opportunity Employer

The Proposer must be an equal opportunity employer.

11. Proposal Submissions Become Property of State of New Hampshire

Materials and documents developed during the engagement will become the property of the State of New Hampshire under the custody of the Commissioner and Committee.

12. Confidentiality and Proprietary Information

This RFP and all materials submitted are not public information until the contract is executed subject to the provisions described in the RFP.

Under the NH Right to Know Law, RSA 91-A and the Federal Freedom of Information Act (FOIA) all information requested and made available under this proposal and response, unless requested and determined to be protected and confidential, is subject to public disclosure. Therefore Proposers must, with their response, specifically identify portions of their proposal they deem to be confidential, proprietary information or trade secrets and provide justification why the Commissioner and Committee should not disclose such material upon request. Such confidentiality/proprietary information must be easily separable from the non-confidential section of the proposal and clearly marked as **CONFIDENTIAL AND PROPRIETARY**. The Selected Proposer agrees to observe the confidentiality provisions and prohibitions against disclosure of all applicable federal and state laws and regulations relating to the confidentiality of records and information gathered, obtained, reviewed, or developed in the performance of the resulting agreement; and further agrees to require each of its employees, partners, and agents assigned to the performance of this agreement to observe said provisions. The Proposer must comply with the requirements of New Hampshire State Law for safeguarding confidential information, the prohibition against disclosure of confidential information and the civil and criminal consequences of non-compliance. The Commissioner and Committee reserve the right to reject any request for confidentiality by advising the Proposer it may retract, redact or withdraw subject information prior to its being made available.

13. Proposals Received After Due Date

The Commissioner and Committee will monitor the timely receipt of proposals.

Proposals received after the deadline or not in the formats (electronic and hardcopy) stipulated, will not be considered unless the service provider(s) presents extenuating, exceptional circumstances acceptable to the Commissioner and Committee. Absent acceptance of a late-filed proposal, a proposal filed after the deadline will be returned.

14. Presentations and Reference Checks

The Commissioner and Committee may request presentations by the Proposers, carry out contract negotiations for the purpose of obtaining best and final offers, and conduct detailed reference checks on the Proposers. The Commissioner and Committee reserve the right to contact any and all references to obtain, without limitation, information regarding the Proposer's performance on previous accounts. References will be checked for any or all Selected Proposers and subcontractors. Selected Proposers will be notified of the time of their presentation before the Commissioner and Committee, and will be provided with instructions regarding the presentation agenda. Presentations may be recorded by the Commissioner.

A finalist discovery including a presentation or meeting may be held.

15. Proposal Preparation and Presentation Costs

Costs incurred during, or in any way associated with the RFP preparation, response, submission, presentation, or oral interviews shall be the sole responsibility of the Proposer. Proposers are expected to pay travel expenses in connection with a possible due diligence oversight meeting or visit at their home office or other location for up to two members of the Committee.

16. Conflict of Interest

It is the expectation of the Commissioner and Committee that the award of a contract for services requested and proposed will comply with the State's conflict of interest laws as disclosed in the cover letter.

17. Experience

Proposers must have five (5) years experience in providing the services and products to the investment pool marketplace and have a minimum of three (3) billion dollars under management.

18. Data Management

The Commissioner and Committee expect the Selected Proposer to assume all data-management responsibilities for the Pool. The Proposer will be required to establish electronic and voice communications capability with all appropriate parties and be held accountable for timely, accurate transmission and, as appropriate, editing and validation of data for processing enrollment, deposit and withdrawal activity.

19. Investment Advisory Services

- a. The NH PDIP Investment program requires a valuation consistent with the provisions of a 2a-7 like pool as defined by Statement No. 31 of the Governmental Accounting Standards Board (GASB). The NH PDIP Investment Program seeks to preserve and maintain the value of its investment at \$1.00 per share.
- b. Meet monthly, quarterly or as necessary via telephone, internet or in person with Commissioner and Committee. Meet at least annually with the Pool participants.
- c. Prepare and present economic forecasts and describe impacts upon investment decisions to be made over the forecast horizon.
- d. Conduct and present periodic cash flow analyses to ensure needed levels of liquidity and proper balance of investments.
- e. Present historical records, forecasts and comparisons.
- f. Review proposed new products or propose alterations to investment policy or objectives when appropriate.

g. Recommend, establish and track, with the assistance and approval of the Commissioner and Committee, an appropriate and agreed upon performance benchmark or benchmarks depending upon the number and objectives of pool products.

h. Evaluate and explain market, interest and credit risk that impact upon and develop strategies to minimize their impacts upon the portfolio.

i. Provide assurance of portfolio compliance with applicable laws and the investment policy.

20. Discretionary Investment Management Services

The investment manager will be granted the discretion and authority to execute investment transactions subject to the adopted Pool Investment Policy, Objectives and other applicable terms and conditions of the proposal, contract and addenda.

21. Arbitrage Rebate Product

Arbitrage rebate liability tracking and reporting products must be available to participants.

22. Credit Facility

The Proposer should indicate its ability to provide a credit facility to protect, at a minimum, the principal amount of participant's investments.

23. Customer Account Management

a. Participant account application and agreement forms and processes to begin participation in the program must be developed and provided.

b. There will be no limitation to the number of accounts or sub-accounts for any participant.

c. Funds can be invested by check, Automated Clearing House or Federal Reserve Wire. No wire charges can be assessed against individual depositing participant's accounts nor are any minimum account balances required. There are no minimum transaction amounts or balances.

d. Participants must be allowed unlimited transactions during any month.

e. Transfers can be made on-line through a secure client data connection, toll-free telephone or fax on any business day.

f. Yield and effective yield must be calculated daily and posted daily and available on the website or by calling a toll free number.

g. Investments called in by 11:00 a.m. EDST are credited to depositing members' accounts on the same day provided that wires are received by 3:00PM that same day and earn interest up to the day of transfer.

h. Participant account balances and interest information must be available on-line through a secure connection and password protected or by toll-free telephone from 8:00 a.m. until 5:00 p.m. EDST or EST.

i. Each depositing participant must receive a monthly statement for each account maintained via the US Postal Service. Each statement must reflect the accounts and any sub-accounts and include the following information:

- 1) Account and sub-account name and number,
- 2) Transaction date(s),
- 3) Transaction type(s),
- 4) Dollar amount of transaction(s),
- 5) Resulting account value,
- 6) Interest reinvested,
- 7) Month-to-date interest and
- 8) Year-to-date interest.

This statement also contains monthly yield information. Also included with the monthly statement is a statement of investments for the entire Pool portfolio as well as historical yield information.

j. Transaction confirmation statements and content must be provided in a manner acceptable to the Commissioner and Committee.

k. Participants can have their monthly statement and transaction confirmations sent via encrypted email. Emailed monthly statements arrive within two (2) business days following the end of the previous month.

l. Liquidation of all or a portion of an investment in the Pool may be made in the form of a check, Fed Fund Wire or ACH transfer to the depositing member's local depository bank.

m. Internet access must be a secure, Personal Identification Number (PIN)-accessed, internet based transaction system that allows Pool participants access to their accounts 24/7, 365 days a year. Participants can make contributions and withdrawals, review transaction histories, access rate information (current and historical), plus view detailed account summaries and interest payment summaries.

n. PIN numbers are either full-access or read-only. A signer on the account, unless instructed otherwise, would receive a full-access PIN that allows the signer to view the account as well as move funds. A read-only PIN allows the user viewing access only.

24. Communication and Information Services

Proposers are strongly encouraged to provide a dedicated NH customer service presence.

The Manager will be required to assist participants with the completion of enrollment forms and verify the completeness of the forms.

Enrollment packages shall be distributed at group meetings and in response to a prospective participant's request. The information shall be complete and concise so a prospective participant would be able to enroll in the Pool. The Manager must also provide enrollment counseling to participants who wish to discuss the Pool in person or over the telephone.

The Manager shall prepare, for the Commissioner and Committee's approval, an annual marketing and information plan detailing the approach to be taken in communicating the program to prospective and current participants, and include the plan for contacting participants for periodic re-evaluation of their pool participation and whether changes should be made.

The Commissioner and Committee require a quarterly report from the Manager that includes data on both Pool and participation level, and the status and resolution of any participant problems and developments in the delivery of pool services.

25. Custodial Services

The Manager must provide custodial services for the Pool or arrange for custodial services with a subcontracted party with the approval of the Commissioner and Committee. Any additional costs for custodial services are to be fully disclosed in the fee section of this RFP.

Custodial services, include safekeeping of portfolio securities and accepting and delivering securities against payment (DVP) in accordance with instructions from the Manager as well as receiving checks, ACH transfers and wires, sending outgoing wires, checks and communicating appropriate information to the Manager. These services may be provided by a separate financial institution through a subcontract. Custodial service providers must identify their full range of services including DVP practices to be employed in the management of this account.

26. Audit Service

The Manager shall choose, with the approval of the Commissioner and Committee, a qualified auditor to perform an annual audit of the Pool in accordance with applicable and accepted auditing standards, requirements and disclosures for Government Investment pools.

27. Contract

The Selected Proposer shall sign a mutually agreed upon contract within three (3) weeks of selection or a mutually agreed upon length of time.

The contract may include, but not be limited, to the following:

A. Commencement of Work

Once awarded, the contract and work thereunder will begin 90 days after the contract is signed with the expectation to establish a schedule for participant information meetings within that time frame.

B. Length of Contract Initial Term

Proposers must be willing to sign an eleven (11) year contract.

C. Renewal

Up to two 3-year renewals of the initial agreement may be negotiated.

D. Continuing Compliance to Changes in Laws

Proposers, lead or submitting agents and sub-contractors/sub-agents must provide necessary changes to the Pool resulting from applicable State and/or Federal legislation without additional cost to participants.

The firm must have knowledge of, and comply with, all New Hampshire and federal laws, rules and regulations regarding governmental pools and investment options. All New Hampshire statutory, charter, and ordinance provisions applicable to public contracts in New Hampshire shall be followed with respect to this contract.

E. Contract Inclusive of All Pertinent Documents

The contract between the Pool, acting through the Commissioner and Committee, and the Selected Proposer shall contain the RFP, the Proposer's response to the RFP, amendments or addenda, requests for clarifications and responses to, and general provisions governing all pool contracts.

F. Requirements for the Inclusion of Subcontractors

The Selected Proposer is responsible for the entire contract performance.

G. Monitoring of Performance During Contract

The Commissioner and Committee will monitor the performance of the selected Manager on a regular basis to ensure compliance with all of the requirements of the contract during the transition, and initial year of the contract. Subsequent monitoring will be conducted quarterly, semi-annually or annually as determined by the Commissioner and Committee.

H. Notice to Discontinue

Proposers shall accept a 90-day notification by the Commissioner and Committee to discontinue service relationship with no penalties. The Commissioner and Committee will not enter into a

contract with any penalty or liquidation charges for terminating the relationship. This applies to the entire contract and all investment funds.

I. Termination

Termination for cause/breach shall be immediate with no penalties to the Commissioner and Committee. If termination not for cause 90 days. The provider shall give 180 days prior notice.

J. Transition to New Investment Manager or Subcontractors

At the end of the initial or renewal contract periods, or upon termination as provided above, the Selected Proposer must agree to provide transition services to the new provider at no additional fee to either the Pool or any parties to the existing agreement. Transition services shall include preparation of an RFP and evaluation by an independent third party. Any costs for the preparation and evaluation by an independent third party of the next RFP shall be borne by the Selected Proposer.

K. Ownership of Information and Records

The Commissioner and Committee have exclusive ownership and unlimited rights to use, disclose, or duplicate for any purpose, all information, data, designs, work products, and materials developed by the manager under contract.

L. Access to Provider Work Site by Commissioner and Committee

The Commissioner and Committee have the right to inspect any facility or project site where the services performed under the resultant contract and subcontracts are performed. This provision applies during the selection phase as well as during the term of the contract.

M. Access to Records after Contract Period

In submitting a proposal, the Selected Proposer agrees the Commissioner and Committee have access, and the right, to examine directly all pertinent documents, papers and records of the investment manager, advisor, custodian, and any other provider of services as related to any contract and/or sub-contract resulting from this RFP for six (6) years after final payment has been made pursuant to any contract awarded as a result of the Commissioner and Committee's acceptance of the Selected proposal.

N. Indemnification and Hold Harmless Agreement

The Selected Proposer shall be solely responsible for and shall indemnify and hold harmless the pool, the Commissioner and Committee, and their officers, participants, and agents from and against any and all liabilities, losses, costs, expenses (including, without limitation, attorney's fees and disbursements) and damages (losses), arising out of or in connection with any acts or omissions of the provider or a provider agent, regardless of whether pursuant to or authorized by this agreement and regardless of whether due to negligence, fault, or default, including losses in

connection with any threatened investigation, litigation or other proceeding or preparing a defense to or prosecuting the same.

O. Duty to Defend and Cooperate in Investigations

The Selected Proposer shall, upon the Commissioner and Committee's demand and direction, promptly and diligently defend, at the Selected Proposer's own risk and expense, any and all suits, actions, or proceedings that may be brought or instituted against and pay and satisfy any judgment, decree, loss, or settlement in connection therewith. The Selected Proposer and its agents shall cooperate with the Commissioner and Committee in connection with the investigation, defense, or prosecution of any action, suit, or proceeding.

28. Transition

Proposers must provide a detailed transition strategy and communication materials to explain and guide the transition to the Commissioner, Committee and participants. The transition from the current pool manager to a new manager will require providing an explanation of the process, blackout period if needed, and reconciliation of pool assets to the Pool and individual participant records. The transfer of pool assets to a new set of investments can be either a combination of existing instruments or an alternative investment selection compliant with Exhibit E or an alternative meeting the same quality or risks. If proposing existing funds, such funds must be transferred in-kind. All transfers must be free of any liquidation, deferred sales charges, penalties or fees.

When assets are transferred to the subsequent manager, the new manager is required to underwrite any actual market value adjustment – gain or loss – at the time of cash surrender.

V. REQUIREMENTS FOR SUBMITTING A PROPOSAL

A. Transmittal Letter

A transmittal letter, no longer than two (2) pages, and include the following:

A-1. Identification of the lead submitting Proposer (agent) and subcontractors (sub-agents) if any, along with a graphical depiction of the relationship between the lead Proposer and individual sub-contractors including key high-level units and unit managers.

A-2. Identification of the Representative, single point of contact as follows:

Name of lead or proposing Company _____

Representative Contact Information:

Name _____ Position _____

Telephone: _____

Facsimile: _____

Email address: _____

A-3. A brief statement of the services to be provided and by whom.

A-4. A statement of commitment to provide the services requested within the times and manner specified.

A-5. A brief summary of the Proposer's qualifications to perform this type of engagement.

A-6. A statement confirming this proposal shall remain valid for the required period after the closing date for receipt of proposals.

A-7. Identify any conflicts of interest you are aware of, that may exist or not exist in providing these services to the Pool.

A-8. Certify the individual signing the proposal has the authority by the governing board of the lead or submitting Proposer and agency relationship with all subcontractors to bind the proposing parties to the terms and conditions set out in the RFP and proposal documents.

A-9. The signature of the person authorized to contractually obligate the Proposer to the scope, conditions, requirements, terms, and pricing contained in the proposal.

B. Certification of Compliance with Requirements of the RFP.

Exhibit A, Certification of Compliance with Requirements of the RFP including exceptions to the RFP shall be attached to the transmittal letter.

C. Table of Contents

The table of contents should include clear and complete identification of the materials submitted by section and page number.

D. Fees

Include and provide details, at a minimum, for the following services:

D-1. Portfolio management;

D-2. Risk management;

D-3. Portfolio accounting;

D-4. Credit facility charge;

D-5. Custodial services;

- D-6. Marketing;
- D-7. Sales;
- D-8. Member services and training;
- D-9. Member accounting and reporting;
- D-10. Legal;
- D-11. Audit;
- D-12. Credit rating;
- D-13. Travel for meetings;
- D-14. Other (Describe); and
- D-15. Total.

E. Conduct of Business During Current Historically Low Interest Rate Environment

Unprecedented economic circumstances have affected investments and investors across the entire financial services spectrum adversely affecting safety, liquidity and yield on investments.

E-1. Explain how your firm has responded to these economic circumstances as an investment management firm servicing NAV Constant Value Investment Pools.

E-2. How have these responses affected the pools and their members?

E-3. Have any of your pools ‘broke the buck’, lost principal, interest or have there been any restrictions on access to funds?

E-4. In this same regard, and in terms of safety and fees, what will you do to continue to service the pools and their members, as costs of servicing these pools remain high and yields are virtually eliminated, and at the same time maintain the NAV?

F. Use of Subcontractors

F-1. The Proposer must indicate in the RFP if it intends to use a subcontractor for any part of the work.

F-2. If so, the Proposer shall identify each subcontractor by name, business address, and expertise, and must include the name(s) of the principal(s) of the subcontracting entity and contact information.

F-3. A full description of the tasks to be performed by the subcontractor must be included.

G. References

G-1. Provide a list of at least five (5) governmental pool clients in the United States that receive Investment Management Services, including management advisory, custodial, administration, marketing, transaction processing, record-keeping, communications, audit and transaction services from your firm over the past five (5) years along with products and services provided, a description of assets under management, length of service, contact names, titles and other relevant information for those accounts.

H. Proposer's Background

H-1. Proposer's Organization

- a. Describe the organization, date founded, and ownership of your firm, its corporate and other primary locations.
- b. Identify any material change in organizational structure, ownership, management or financial position during the past three years.
- c. Describe any other business affiliations (e.g., subsidiaries, joint ventures, 'soft dollar' arrangements with brokers and affiliates) as well as your policy and practice on soft dollars.
- d. Describe the primary sources of revenue for your firm.
- e. Describe any SEC, or NASD regulatory action, any other state and federal censure, action or litigation involving your firm or employees within the past five (5) years.
- f. Provide a brief explanation and status of any other material litigation, regulatory authority actions, contingent liabilities, or other legal proceedings involving the firm or any officer or principal in the past three years or presently open.
- g. Did you or will you pay a finder's fee to any third party for business related out of this account? If so, specify the amount and related party.
- h. Outline errors, omissions and fidelity bond coverage your firm carries.
 - h-1 Identify any open claims against these policies.
 - h-2 Provide a current valid certificate of insurance.
- i. Is your firm a registered investment advisor under the Investment Advisor's Act of 1940? If so, attach Part II of your most recent Form ADV.

H-2. Proposer's Experience

- a. Describe your experience in managing portfolios for public funds and governmental entities including NAV stable dollar, high liquidity funds and longer term portfolios.

- b. Describe your firm's experience in developing policies, objectives and portfolio guidelines for governmental portfolios.
- c. Does your firm act as a broker or as a primary dealer in securities or receive another form of additional compensation (including soft dollars) for client's transactions aside from the direct fee paid by clients?
- d. Provide examples of recommendations made by your firm to clients and briefly describe the results and benefits these pools derived as a result of this advice.
- e. What tools, services, newsletters, subscriptions or forecasting information would you make available on an as-needed or regular basis to assist the Commissioner and Committee to meet their responsibilities both to the Pool and to support an understanding of the economic or business climate on the Pool?
- f. Provide the three (3) most recent annual audited financial statements of the Proposer or Proposers including any SAS 70 audits, if applicable.
- g.-1 Does your firm have an office in the State of New Hampshire and if so, where?
- g.-2 Where is your closest office to New Hampshire?
- h. Provide your opinion on the value of obtaining a credit rating for the Pool from the credit rating industry, the process of obtaining such a rating, the pros, cons and the cost thereof.

H-3. Proposer's Administration, Marketing, Transaction Processing and Recordkeeping Services

- a. Provide detailed information of recordkeeping, administrative systems, customer support services including planned field service capabilities and use of technology. Important factors include ability to integrate multiple systems, monitor compliance, process participant transactions, and provide timely and accurate participant statements and financial statements to the Commissioner and Committee. Programs must be included with the response to market the program, assure the continuity of service during the transitions, and increase the participation in the NHPDIP.
- b. Provide superior Internet, interactive voice response system (VRS), and customer and field service representative capabilities to support the pool participant's needs. Services must include:
 - 1. Support participant enrollment activities, initial and ongoing.
 - 2. Allow participants to request withdrawals from the pool and inquire about balances.
 - 3. Provide literature, such as summary pool descriptions, forms and statements.
 - 4. Administer and qualify unforeseen emergency withdrawals.

H-4. Proposer's Personnel

- a. Identify the investment professionals (portfolio managers, analysts and researchers and others) employed by your firm by classification, and specify the average number of accounts handled by each position.
- b. Provide an organizational chart for the personnel to be associated with the Pool account.
- c. Provide résumés and biographical information on key investment professionals that will be directly involved in the decision-making process or otherwise servicing the Pool portfolios and accounts.
- d. Include the number of years at the firms, total years experience in the business of institutional investing, professional licenses and designations, their role and number of accounts managed in various capacities and any limits.
- e. Identify recent training and educational efforts made by each.
- f. Are there any established limits on accounts or assets under management for personnel?
- g. Identify the individual who will be the primary day-to-day contact for the PDIP.
- h. Describe any experience individual(s) to be assigned to this account have had in analyzing the pool cash flow and investment parameters associated with the operations of a government investment pool. Include experience in the assessment of appropriate levels of risk to achieve market returns.
- i. Has there been any turnover of professional staff assigned to public accounts at your firm in the last twelve (12) months?
- j. Have there been any additions or reductions? Describe.
- k. Describe licenses, training and education levels and programs required and available at your firm for related services.
- l. Has your firm overall experienced a significant level of departures during anyone of the past three (3) years (10% of your professional staff in any one year or 20% in total over the past three years)? If so, explain.

H-5. Proposer's Assets Under Management

- a. Summarize your institutional investment assets under management by category as shown below for your latest reporting period:
 1. For governmental and non-governmental accounts
 - i. Operating and Bond Funds
 - ii. Pension Funds
 - iii. Foundations Equity Funds
 - iv. Total

- b. Summarize your assets under management (institutional only) over the past five (5) years and average asset per client.
- c. Describe your benchmarking determination and reporting process for portfolios such as the Pool.
- d. Provide relevant performance statistics on a comparable portfolio and compare with industry averages for the past three (3), five (5) and ten (10) year periods.
- e. Note whether these measures are reported based upon GPS (formerly known as AIMR.)
- f. Provide the number and types of accounts, total asset value and compositions of portfolios presently managed by your firm. Detail to identify Constant NAV portfolios.
- g. List at least your five (5) largest pools or governmental clients for whom you provide services in descending order along with the portfolio type.
- h. Briefly describe your firm's understanding of the Pool's investment policy and investment practices.

H-6. Proposer's Investment Management Approach

- a. Briefly describe your firm's investment management philosophy, mission, goals and objectives, including your approach to managing governmental portfolios.
- b. How frequently and in what manner do you review and revise your Pool-type portfolios?
- c. Who is involved in this process?
- d. What are the primary strategies for adding value to portfolios (e.g., market timing, credit research, trading, model and stress testing)?
- e. How are portfolios managed (e.g., by team, individual manager)?
- f. What is the continuity plan for personal or environmental business interruptions?
- g. How do you support interruptions at client's sites?
- h. What oversight and review is provided for portfolio managers?
- i. Describe your firm's in-house technical and research capabilities.
- j. Are outside sources used by the firm?
- k. Is this regularly or as-needed?
- l. Describe both, if applicable.
- m. Describe your credit review process.

- n. Does your firm assign credit research to a credit specialist?
- o. What percent of research is done in-house?
- p. Describe your research capability.
- q. What technical analysis (if any) do you use?
- r. What role does interest-rate forecasting play in your portfolio management strategy?
- s. How will you handle fluctuating cash flows in order to maintain the \$1 NAV?
- t. How have you, and how will you, address the current low interest rate environment, manage the PDIP portfolio NAV of \$1, ensure principal and remain profitable?
- u. Describe the daily investment procedures proposed for the Pool portfolio including trades, security choice, controls, etc. and how will you maintain liquidity?
- v. How frequently would you suggest meeting with the Commissioner and Committee?
- w. Who will attend these meetings for your firm?

H-7. Proposer's Reporting

- a. Describe the investment accounting and reporting system used by your firm and appropriate to this account.
- b. Describe the frequency and format of reporting that you will provide to the Pool.
- c. What performance benchmarks would you suggest for this portfolio and Pool accounts?
- d. Provide recommendations regarding performance benchmarks for a portfolio similar to that of the Pool.
- e. Provide samples of any other investment materials or reports that demonstrate your capability and services insofar as the product requested under this RFP is concerned and for pools in general.

I. Custodial Services

A process for the daily balancing of the custodial activity and records with the Investment Advisor must be presented and explained in the response to this RFP.

I-1. Describe your current custodial services and process including DVP, instructions, systems and experience if different from the Investment Advisory firm.

I-2. Custodial Services Organization

- a. Describe the organization, date founded, and ownership of your firm, its corporate and other primary locations. Identify any material change in organizational structure, ownership, management or financial position during the past three (3) years.
- b. Describe any other business affiliations (e.g., subsidiaries, joint ventures, ‘soft dollar’ arrangements with brokers and affiliates) as well as your policy and practice on soft dollars.
- c. Describe the primary sources of revenue for your firm.
- d. Provide a brief explanation and status of any other material litigation, regulatory authority investigation, contingent liabilities, or other legal proceedings involving the firm or any officer or principal in the past three (3) years or presently open.
- e. Outline errors, omissions and fidelity bond coverage your firm carries. Identify any open claims against these policies. Provide a current valid certificate of insurance.

I-3. Custodial Services Experience

- a. Describe your experience in providing custodial services.
- b. Proposals shall be accompanied by the three most recent annual audited financial statements including any SAS 70 audits, if applicable, of the custodial service provider.
- c. Does your firm have an office in the State of New Hampshire and if so, where?
- d. Where is your closest office to New Hampshire?

I-4. Custodial Services Personnel

- a. Identify the professionals employed by your firm by classification, and specify the average number of accounts handled by each position.
- b. Provide an organizational chart for the personnel to be associated with the Pool’s account.
- c. Provide resumes and biographical information on key personnel that will be directly involved in servicing the Pool account.
- d. Include the number of years at the firms, total years experience in the business of institutional investing, professional licenses and designations, their role and number of accounts managed in various capacities and any limits.
- e. Identify recent training and educational efforts made by each.
- f. Are there any established limits on accounts or assets under management for personnel?
- g. Has there been any turnover of professional staff assigned to public accounts at your firm in the last twelve (12) months?

- h. Describe any additions or reductions.
- i. Describe licenses, training and education levels and programs required and available at your firm for custodial and related services.
- j. Has your firm overall experienced a significant level of departures during any one of the past three (3) years (10% of your professional staff in any one year or 20% in total over the past three (3) years)? If so, explain.

I-5. Custodial Services Assets Under Management

- a. Summarize your institutional assets under custodial by category as shown below for your latest reporting period:

For governmental and non-Governmental accounts

- i. Operating and Bond Funds
- ii. Pension Funds
- iii. Foundations Equity Funds
- iv. Total

- b. Summarize assets under custody (institutional only) over the past five (5) years and average asset per client.
- c. Describe your performance metrics associated with providing custodial services and provide the success and error rates by metric.
- d. Provide relevant performance statistics on a comparable portfolio and compare with industry averages for the past three (3), five (5) and ten (10) year periods.

I-6. Custodial Services Reporting and Technical System Capabilities

- a. Describe the custodial accounting and reporting system used by your firm and appropriate to this account.
- b. Describe the frequency and format of custodial reporting that you will provide to the Pool and investment manager?
- c. Describe your firm's in-house technical capabilities.
- d. How frequently would you suggest you meet with the Commissioner and Committee?
- e. Who will attend these meetings for your firm?

I-7. Custodial Services References

a. Provide a list of governmental clients in the State of New Hampshire or the six (6) New England states that have received custodial services from your firm over the past five (5) years along with services provided, names, titles and contact information for those accounts.

b. Provide contact names, addresses, and telephone numbers for at least three (3) government entities for which the firm serves as an investment advisor.

J. Audit Services

J-1. Identify the process you propose for selecting audit services and the appropriate guidelines inherent in and applicable to auditing governmental pools.

J-2. Describe your firm's history of having SAS 70 audits performed and summarize the results of those audits.

K. Transition Services

K-1. Describe your proposed transition process including the transition, safety and valuation of portfolio securities, conversion of member account information, participation of the Commissioner and Committee and participants and other participants in the process, process steps, timetable, milestones, communications and responsibilities.

K-2. Reporting and Technical System Capabilities

a. Describe the transition management and reporting system used by your firm.

b. Describe your firm's in-house technical capabilities.

c. How frequently would you suggest you meet with the Commissioner and Committee during transition? Who will attend these meetings for your firm?

L. Draft Contract

Submit a proposed/draft contract with the Proposal.

VII. CRITERIA FOR AWARD

A. Criteria for Evaluation

Evaluation of the proposals submitted will be based on criteria including, but not limited to, the following:

- (1) Organization and experience of the proposing firm(s) including structure, integrity, size, facilities and employee and technical resources; assets under management; experience in

providing services to similar public deposit investment pools with similar investment objectives;

- (2) Understanding display of and compliance with the overall Pool Requirements, investment purpose, needs and objectives, proposal quality and cogency, proposed investment management services, including investment advisory, custodial, administrative, recordkeeping, compliance, reporting, auditing and transition services;
- (3) Member and client services, communication, marketing and education, field representative services, voice and internet-based services, customer service;
- (4) Fees overall, clarity of and future negotiability; responsiveness to current economic and interest rate environment;
- (5) Overall quality of, responses to and compliance with RFP requirements; and
- (6) The Proposer:
 - a. Is an equal opportunity employer;
 - b. Possesses an understanding of, and the ability to execute, the pool's investment objectives and constraints;
 - c. Possesses:
 - (1) Resources and qualifications to execute the pool's objectives;
 - (2) Experience in managing local government operating and capital funds and providing the administrative support for such management;
 - (3) Experience in managing the mechanics of processing paperwork and electronic data;
 - (4) Administration and technology required for processing paperwork and electronic data related to pool operations; and
 - (5) Ability to generate accurate and complete reports related to the pool;
 - d. Has at least \$3 billion in assets under management;
 - e. Demonstrates a commitment to assign a qualified team of individuals to the pool;
 - f. Shows:
 1. Recommended management approaches;

2. Additional investment or financial services available, or offered and available through affiliation; and
 3. Adequacy of financial controls and protection against loss;
- g. Shows the potential success of a marketing plan;
 - h. Submits a quality and concise proposal;
 - i. Shows the value of new product service suggestions, other new ideas or enhancements;
 - j. Proposes fees and compensation; and
 - k. Complies with applicable laws and regulations including those relating to safeguards that secure data and insurance.

B. Evaluation of Proposals

The Commissioner and Committee will eliminate those that are clearly non-responsive to the stated requirements. Proposers should exercise particular care in reviewing the proposal format required for this RFP.

C. Selection Process

The Commissioner and Committee or RFP Review Sub-committee will review and analyze proposals and identify the finalists to be invited to make a presentation. Proposals will be evaluated in accordance with the requirements set forth in this RFP and any addenda issued. Reviewers will consider how well a proposal meets all requirements. Responses must be clear and complete, so reviewers can adequately understand all aspects of the proposal. Firms submitting incomplete proposals will be eliminated from further consideration.

The Commissioner and Committee will select the investment advisor based on the proposal that, in their opinion, best meets the RFP requirements and is in the best interest of the Pool.

D. Requests for Additional Information

The Commissioner and Committee reserve the right, during this process, to request additional information. Firms will be given at least five (5) working days from notification to provide requested information.

E. Notice of Award

The Selected Proposer will be notified in writing as soon as possible after final presentations to the Commissioner and Committee. Action will begin the period by which an agreement

(Contract) must be executed. The actual award is contingent upon finalizing an agreement with regard to the contract, service standards and fees.

The Selected Proposer must not be a broker or have an affiliation that creates a broker arrangement under this account.

Exhibit A

State of New Hampshire Public Deposit Investment Pool

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS OF RFP

I have read, understand and agree to comply with the minimum requirements specified in this Request for Proposal. Checking “YES” indicates acceptance as requested, while checking “NO” denotes non-acceptance and should be detailed below. Any exceptions **MUST** be documented.

YES _____ NO _____ SIGNATURE _____

EXCEPTIONS/Explanations: Attach additional sheets if necessary. Please use this format.

Exceptions/Explanation Summary Form

RFP REQUIREMENT ITEM	RESTATED REQUIREMENT, EXPLANATION OF ITEM OR IDENTIFICATION AND EXPLANATION OF EXCEPTION

EXHIBIT B

SUPPLEMENTAL POOL INFORMATION

New Hampshire Public Deposit Investment Pool Participants

Albany School District
Allenstown School District
Amherst School District/SAU #39
Andover Village District
Androscoggin Valley Reg Refuse Disposal District
Ashland School District
Barnstead School District
Barrington School District
Bath School District
BCEP Solid Waste District
Benton School District
Berlin Water Works
Bethlehem School District
Boscawen Public Library
Brentwood School District
Brookline School District
Candia School District
Central Hooksett Water Precinct
Chester School District
Chichester School District
City of Berlin, Cemetery Trust Fund City of Claremont
City of Concord
City of Dover, Trustee of Trust Funds
City of Franklin Conservation Commission
City of Keene
City of Laconia
City of Lebanon
City of Manchester Escrow Accounts
City of Portsmouth
City of Somersworth
Clarksville School District
Colebrook School District
Concord Regional Solid Waste
Contoocook Valley School District
Conway School District
Cook Memorial Library
Cornish Historical Society
County of Belknap
County of Cheshire
County of Merrimack
Croydon School District
Derry Cooperative School District
Derry Public Library
Dudley-Tucker Library
Dunbarton School District
East Derry Fire Precinct
Ellsworth School District

Allenstown Public Library
Allenstown Sewer Commission
Andover School District

Auburn School District
Barrington Public Library
Bartlett Village Water Precinct
Bay Sewage District of Moultonboro/Ctr Harbour
Bedford School District
Berlin Economic Development Council
Bethlehem Public Library
Bethlehem Village District
Bow School District
Bristol Cemetery Association
Campton School District
Center Harbor Historical Society
Chatham School District
Chesterfield School District
City of Berlin
City of Claremont Capital Escrow
City of Dover
City of Franklin
City of Franklin, Trustee of Trust Funds
City of Keene, Trustee of Trust Funds
City of Laconia, Trustee of Trust Funds
City of Manchester
City of Nashua
City of Rochester
Claremont School District
Colby Memorial Library
Columbia School District
Concord School District
Conway Public Library Trustees
Conway Village Fire District
Coos County
Cornish School District
County of Carroll
County of Hillsborough
County of Sullivan
Deerfield School District
Derry Housing & Redev. Authority
Dresden School District
Dummer School District
Durham Public Library
East Kingston School District
Emerald Village Lake District

Epping School District	Epsom Public Library
Epsom School District	Epsom Village District
Errol School District	Exeter Region Cooperative School District
Exeter School District	Fall Mountain Education Endowment Association
Fall Mountain Regional School District	Farmington Bicentennial
Farmington CDBG	Farmington School District
Foster Cemetery Association	Franklin Business & Industrial Develop. Corp.
Fremont School District	Fuller Public Library
Gilford School District	Gilmanton School District
Gilsum Public Library	GMILCS, INC
Goffstown School District	Goffstown Village Precinct
Gorham School District	Gorham, Randolph, Shelburne CSD Trust Funds
Gorham, Randolph, Shelburne Cooperative School District	Gorham, Randolph, Shelburne Education Foundation
Goshen-Lempster School District	Gov Wentworth Reg School District
Grafton County	Grantham School District
Grasmere Village Water Precinct	Greenland School District
Greenville Estates Village District	Hampstead Public Library
Hampton Beach Village District	Hampton Falls Free Library
Hampton Falls School District	Hampton School District
Hancock Town Library	Hanover High School
Hanover School District	Harrisville School District
Haverhill Cooperative School District	Healthy Kid Corp
Hebron Historical Society	Henniker School District
Hill School District	Hillsboro-Deering Cooperative School District
Hinsdale School District	Holderness Free Library
Hollis School District	Hollis Social Library
Hollis/Brookline School District	Hooksett Library Development Trust
Hooksett Public Library	Hooksett School District
Hooksett Sewer Dept.	Hooksett Village Water Precinct
Hopkinton School District	Hopkinton Town Library
Hopkinton Village Precinct	Hudson School District
Ingalls Memorial Library	Inter-Lakes School District
Jackson Public Library	Jaffrey-Rindge School District
James A. Tuttle Library - Antrim	James E. Nichols Memorial Library Assoc.
John Stark Regional School District	Kearsarge Regional School District
Kensington School District	Laconia Airport Authority
Laconia Water Works	Lafayette Regional School
Lakes Region Planning Commission	Lamson Farm Commission
Landaff School District	Lebanon Public Libraries
Lebanon School District	Lincoln-Woodstock Coop School District
Lisbon Regional School District	Lisbon Water Department
Litchfield School District	Littleton Public Library
Littleton Union School District	Littleton Water & Light Department
Londonderry School District	Lyme School District
Lyndeborough Capital Reserve Funds	Lyndeborough School District
Lyndeborough Trust Funds	Madison School District
Manchester School District	Mansfield Public Library
Marlborough School District	Marlow School District
Mascenic Regional School District	Mascoma Valley Regional School District
Mason Conservation Commission	Maxfield Public Library
Merrimack River Valley Flood Control Project	Merrimack School District
Merrimack Valley School District	Merrimack Village District

Middleton School District
 Milan Village School PTO
 Milton School District
 Minot-Sleeper Library
 Monroe School District
 Nashua Region Solid Waste Management District
 Nelson School District
 New Castle School District
 New Hampshire Hospital
 New Hampshire Municipal Bond Bank
 New Hampshire Tax Collectors Association
 New London-Springfield Water System
 Newfields School District
 Newington School District
 Newmarket School District,SAU #31
 NH - Vermont Solid Waste Project
 North Country Education Foundation
 North Hampton School District
 North Walpole Village District
 Northumberland School District
 Norwich School District
 Olivia Rodham Memorial Library
 Ossipee Public Library
 Pease Public Library
 Pelham School Lunch Program
 Pembroke Sewer Commission
 Pemi-Baker Regional School District
 Piermont School District
 Pillsbury Lake Village District
 Pittsfield School District
 Plymouth School District
 Profile School District
 Raymond School District
 Rockingham County Government
 Rollinsford Water & Sewer District
 Rye Public Library Trustees
 Rye Water District
 Sanborn Regional School District
 SAU #21
 SAU #23
 SAU #53
 SAU #55-Timberlane Regional School District
 SAU #70
 Seabrook Library
 Shaker Regional School District
 Souhegan Cooperative School District
 South Hampton School District
 Southern NH Planning Commission
 Stewartstown School District
 Strafford School District
 Stratham Hill Park Association
 Stratham Vol Fire Dept Ladies' Auxiliary

Milan School District
 Milford School District
 Milton Sewer Commission
 Monadnock Regional School District
 Mont Vernon School District
 Nashua Regional Planning Commission
 New Boston School District
 New Hampshire City & Town Clerks Association
 New Hampshire Municipal Association
 New Hampshire Public Risk Exchange
 New Hampton Village Precinct
 Newfields Conservation Commission
 Newfound Area School District
 Newmarket Public Library
 Newport School District
 North Conway Water Precinct
 North Hampton Public Library
 North Swanzey Water & Fire Precinct
 Northumberland Public Library
 Northwood School District
 Nottingham School District
 Orford School District
 Oyster River Cooperative School District
 Pelham School District
 Pembroke School District
 Pembroke Town Library
 Penacook-Boscawen Water Precinct
 Pillsbury Free Library
 Pittsburg School District
 Plainfield School District
 Plymouth Village Water & Sewer Dist.
 Randolph School District
 Richmond Historical Society
 Rollinsford School District
 Rumney School District
 Rye School District
 Salem School District
 SAU #20
 SAU #22
 SAU #50
 SAU #55-Hampstead School District
 SAU #56
 SE Regional Refuse Disposal District 53B
 Seabrook School District
 Shelburne School District
 Souhegan Regional Landfill District
 Southeast NH Hazardous Material
 Stark School District
 Strafford Con. Com. Easement Fund
 Stratford School District
 Stratham School District
 Stratham Volunteer Fire Dept.

Stratton Free Library
 Sunapee School District
 Tamworth School District
 The State of New Hampshire
 Tilton Sewer Commission
 Town of Acworth
 Town of Albany
 Town of Alexandria
 Town of Allenstown, Trustee of Trust Funds
 Town of Amherst
 Town of Andover, Trustee of Trust Funds
 Town of Antrim, Trustee of Trust Funds
 Town of Ashland, Trustee of Trust Funds
 Town of Atkinson, Trustee of Trust Funds
 Town of Barnstead, Trustee of Trust Funds
 Town of Barrington, Trustee of Trust Funds
 Town of Bath
 Town of Bedford
 Town of Belmont, Trustee of Trust Funds
 Town of Bethlehem
 Town of Boscawen
 Town of Boscawen, Trustee of Trust Funds
 Town of Bradford
 Town of Brentwood, Trustee of Trust Funds
 Town of Bristol, Trustee of Trust Funds
 Town of Brookfield, Trustee of Trust Funds
 Town of Brookline Engineering Escrow Acct
 Town of Campton
 Town of Canaan, Trustee of Trust Funds
 Town of Candia, Trustee of Trust Funds
 Town of Canterbury, Trustee of Trust Funds
 Town of Carroll, Trustee of Trust Funds
 Town of Center Harbor, Trustee of Trust Funds
 Town of Chester
 Town of Colebrook
 Town of Conway
 Town of Cornish
 Town of Croydon, Trustee of Trust Funds
 Town of Danville, Trustee of Trust Funds
 Town of Deerfield, Trustee of Trust Funds
 Town of Derry
 Town of Dummer
 Town of Dummer, Trustee of Trust Funds
 Town of Dunbarton, Trustee of Trust Funds
 Town of Durham Conservation Commission
 Town of East Kingston Conservation Commission
 Town of Eaton, Trustee of Trust Funds
 Town of Enfield
 Town of Epping
 Town of Epping-Conservation Commission
 Town of Epsom, Trustee of Trust Funds
 Town of Exeter

Sullivan Co. Economic Dev. Council
 SWNH District Fire Mutual Aid System
 Temple New Hampshire Trustee of Trust Funds
 Thornton School District
 Tilton-Northfield Fire District
 Town of Acworth, Trustee of Trust Funds
 Town of Albany, Trustee of Trust Funds
 Town of Allenstown
 Town of Alstead, Trustee of Trust Funds
 Town of Andover
 Town of Antrim
 Town of Ashland
 Town of Atkinson
 Town of Barnstead
 Town of Barrington
 Town of Bartlett
 Town of Bath, Trustee of Trust Funds
 Town of Bedford, Trustee of Trust Funds
 Town of Bennington, Trustee of Trust Funds
 Town of Bethlehem, Trustee of Trust Funds
 Town of Boscawen Conservation Commission
 Town of Bow
 Town of Brentwood
 Town of Bristol
 Town of Brookfield
 Town of Brookline
 Town of Brookline, Trustee of Trust Funds
 Town of Canaan
 Town of Candia
 Town of Canterbury
 Town of Carroll
 Town of Center Harbor
 Town of Charlestown
 Town of Chichester
 Town of Columbia
 Town of Conway, Trustee of Trust Funds
 Town of Croydon
 Town of Dalton
 Town of Deerfield
 Town of Deering
 Town of Dublin
 Town of Dummer, Bicentennial Fund
 Town of Dunbarton
 Town of Durham
 Town of Durham, Trustee of Trust Funds
 Town of Eaton
 Town of Effingham
 Town of Enfield, Trustee of Trust Funds
 Town of Epping, Trustee of Trust Funds
 Town of Epsom
 Town of Errol
 Town of Exeter, Trustee of Trust Funds

Town of Farmington
 Town of Francestown
 Town of Franconia, Trustee of Trust Funds
 Town of Fremont
 Town of Freemont Conservation Commission
 Town of Fremont, Capital Reserve Funds
 Town of Gilford
 Town of Gilmanton, Trustee of Trust Funds
 Town of Gilsum, Trustee of Trust Funds
 Town of Goffstown, Trustee of Trust Funds
 Town of Gorham, Trustee of Trust Funds
 Town of Grafton
 Town of Grantham
 Town of Greenfield
 Town of Groton
 Town of Hampstead
 Town of Hampton, Trustee of Trust Funds
 Town of Hampton Falls, Trustee of Trust Funds
 Town of Hanover
 Town of Hanover, Trustee of Trust Funds
 Town of Harrisville, Trustee of Trust Funds
 Town of Hebron, Trustee of Trust Funds
 Town of Hill
 Town of Hillsborough
 Town of Hillsborough, Trustee of Trust Funds
 Town of Holderness
 Town of Hollis
 Town of Hollis, Trustee of Trust Funds
 Town of Hooksett, Trustee of Trust Funds
 Town of Hopkinton, Trustee of Trust Funds
 Town of Hudson, Trustee of Trust Funds
 Town of Jaffrey
 Town of Kensington
 Town of Kensington, Trustee of Trust Funds
 Town of Kingston, Trustee of Trust Funds
 Town of Lancaster, Trustee of Trust Funds
 Town of Landaff, Trustee of Trust Funds
 Town of Lee
 Town of Lempster, Trustee of Trust Funds
 Town of Lincoln, Trustee of Trust Funds
 Town of Lisbon, Trustee of Trust Funds
 Town of Litchfield, Trustee of Trust Funds
 Town of Littleton, Trustee of Trust Funds
 Town of Londonderry, Trustee of Trust Funds
 Town of Loudon, Capital Reserve Funds
 Town of Lyman
 Town of Lyme
 Town of Madbury
 Town of Madbury Water District
 Town of Madison
 Town of Marlborough
 Town of Mason

Town of Fitzwilliam
 Town of Franconia
 Town of Freedom
 Town of Fremont Cemetery Fund
 Town of Freemont School Impact Fees
 Town of Fremont, Trustee of Trust Funds
 Town of Gilmanton
 Town of Gilsum
 Town of Goffstown
 Town of Gorham
 Town of Goshen, Trustee of Trust Funds
 Town of Grafton, Trustee of Trust Funds
 Town of Grantham, Trustee of Trust Funds
 Town of Greenfield, Trustee of Trust Funds
 Town of Groton, Trustee of Trust Funds
 Town of Hampton
 Town of Hampton Falls
 Town of Hancock
 Town of Hanover Conservation Commission
 Town of Harrisville
 Town of Haverhill
 Town of Henniker
 Town of Hill, Trustee of Trust Funds
 Town of Hillsborough - Water & Sewer
 Town of Hinsdale
 Town of Holderness, Trustee of Trust Funds
 Town of Hollis Conservation Commission
 Town of Hooksett
 Town of Hopkinton
 Town of Hudson
 Town of Jackson
 Town of Jefferson, Trustee of Trust Funds
 Town of Kensington, TTF Capital Reserve Funds
 Town of Kingston
 Town of Lancaster
 Town of Landaff
 Town of Langdon, Trustee of Trust Funds
 Town of Lempster
 Town of Lincoln
 Town of Lisbon
 Town of Litchfield
 Town of Littleton
 Town of Londonderry
 Town of Loudon
 Town of Loudon, Trustee of Trust Funds
 Town of Lyman, Trustee of Trust Funds
 Town of Lyme, Trustee of Trust Funds
 Town of Madbury Conservation Commission
 Town of Madbury, Trustee of Trust Funds
 Town of Madison, Trustee of Trust Funds
 Town of Marlow
 Town of Mason Forest Committee

Town of Meredith
 Town of Merrimack, Trustee of Trust Funds
 Town of Middleton, Trustee of Trust Funds
 Town of Milan, Trustee of Trust Funds
 Town of Monroe
 Town of Mont Vernon
 Town of Moultonborough
 Town of Nelson
 Town of New Boston
 Town of New Durham
 Town of New Hampton
 Town of New Ipswich, Trustee of Trust Funds
 Town of New London Sewer Commission
 Town of Newbury
 Town of Newfields
 Town of Newington Sewer Commission
 Town of Newmarket, Trustee of Trust Funds
 Town of Newton
 Town of North Hampton, Trustee of Trust Funds
 Town of Northfield, Trustee of Trust Funds
 Town of Northumberland, Trustee of Trust Funds
 Town of Nottingham
 Town of Orange, Trustee of Trust Funds
 Town of Ossipee, Trustee of Trust Funds
 Town of Pembroke, Trustee of Trust Funds
 Town of Pittsburg
 Town of Pittsfield
 Town of Plainfield
 Town of Plaistow
 Town of Plymouth
 Town of Randolph
 Town of Randolph, Trustee of Trust Funds
 Town of Richmond
 Town of Richmond, Trustee of Trust Funds
 Town of Rollinsford
 Town of Rumney
 Town of Rye Conservation Commission
 Town of Salisbury
 Town of Sandown
 Town of Sandwich
 Town of Seabrook
 Town of Shelburne
 Town of South Hampton
 Town of Springfield
 Town of Stark, Trustee of Trust Funds
 Town of Strafford, Trustee of Trust Funds
 Town of Stratford, Trustee of Trust Funds
 Town of Stratham Fair Association
 Town of Sugar Hill Conservation Commission
 Town of Sugar Hill, Trustee of Trust Funds
 Town of Sullivan Conservation Commission
 Town of Sullivan, Trustee of Trust Funds

Town of Merrimack
 Town of Middleton
 Town of Milan
 Town of Milford
 Town of Monroe Trustee of Trust Funds
 Town of Mont Vernon, Trustee of Trust Funds
 Town of Moultonborough, Trustee of Trust Funds
 Town of Nelson, Trustee of Trust Funds
 Town of New Castle
 Town of New Durham, Trustee of Trust Funds
 Town of New Ipswich
 Town of New London
 Town of New London, Trustee of Trust Funds
 Town of Newbury, Trustee of Trust Funds
 Town of Newington
 Town of Newmarket
 Town of Newport
 Town of North Hampton
 Town of Northfield
 Town of Northumberland
 Town of Northwood, Trustee of Trust Funds
 Town of Nottingham, Trustee of Trust Funds
 Town of Orford
 Town of Pelham
 Town of Peterborough
 Town of Pittsburg, Trustee of Trust Funds
 Town of Pittsfield, Trustee of Trust Funds
 Town of Plainfield, Trustee of Trust Funds
 Town of Plaistow, Trustee of Trust Funds
 Town of Plymouth, Trustee of Trust Funds
 Town of Randolph, Library Trust Funds
 Town of Raymond
 Town of Richmond Conservation Commission
 Town of Rindge
 Town of Roxbury
 Town of Rye
 Town of Rye, Trustee of Trust Funds
 Town of Salisbury, Trustee of Trust Funds
 Town of Sandown, Trustee of Trust Funds
 Town of Sandwich, Trustee of Trust Funds
 Town of Sharon, Trustee of Trust Funds
 Town of Shelburne, Trustee of Trust Funds
 Town of South Hampton, Trustee of Trust Funds
 Town of Stark
 Town of Strafford
 Town of Stratford
 Town of Stratham
 Town of Stratham, Trustee of Trust Funds
 Town of Sugar Hill Library Trustees
 Town of Sullivan
 Town of Sullivan, TOTF Comb Cap Res Fd
 Town of Sunapee

Town of Sunapee Sewer Department
 Town of Sunapee, Water Department
 Town of Sutton
 Town of Sutton, Trustee of Trust Funds
 Town of Swanzey, Trustee of Trust Funds
 Town of Tamworth, Trustee of Trust Funds
 Town of Thornton
 Town of Tilton
 Town of Troy
 Town of Troy, Trustee of Trust Funds
 Town of Wakefield, Trustee of Trust Funds
 Town of Walpole, Trustee of Trust Funds
 Town of Warren, Trustee of Trust Funds
 Town of Washington Fire Dept/ Aux Schlrsdp FD
 Town of Waterville Valley
 Town of Weare
 Town of Webster, Trustee of Trust Funds
 Town of Wentworth, Trustee of Trust Funds
 Town of Westmoreland, Trustee of Trust Funds
 Town of Whitefield, Trustee of Trust Funds
 Town of Wilton
 Town of Winchester
 Town of Wolfeboro, Trustee of Trust Funds
 Trustee of Trust Funds, Town of Newfields
 Tuftonboro Free Library
 Unity School District
 Village District of Eastman
 Village District of Little Boar's Head
 Wakefield School District, SAU #64
 Warren School District
 Washington School District
 Weare School District
 Webster Memorial Library
 Wentworth Elementary School
 Wentworth School District
 White Mountains Regional School District
 William Adams Bachelder Library
 Wilmot Volunteer Fire Company
 Wilton-Lyndeborough Coop School District
 Windham School District
 Winnacunnet Cooperative School District
 Wolfeboro Public Library

Town of Sunapee, Trustee of Trust Funds
 Town of Surry, Trustee of Trust Funds
 Town of Sutton Conservation Commission
 Town of Swanzey
 Town of Tamworth
 Town of Temple
 Town of Thornton, Trustee of Trust Funds
 Town of Tilton, Trustee of Trust Funds
 Town of Troy Sewer Department
 Town of Tuftonboro, Trustee of Trust Funds
 Town of Walpole
 Town of Warner
 Town of Washington
 Town of Washington, Trustee of Trust Fund
 Town of Waterville Valley, Trustee of Trust Funds
 Town of Webster
 Town of Wentworth
 Town of Westmoreland
 Town of Whitefield
 Town of Wilmot
 Town of Wilton, Trustee of Trust Funds
 Town of Wolfeboro
 Town of Woodstock
 Trustees of Trust Funds, Jackson, NH
 Union School District of Keene
 Upper Valley Lake Sunapee Regional Planning Commission
 Village District of Eidelweiss
 Wadleigh Memorial Library
 Warner Village Water District
 Washington Rescue Squad
 Waterville Estates Village District
 Webster Free Public Library
 Weeks Public Library
 Wentworth Historical Society
 Westmoreland School District
 Whitefield Public Library
 William D. Weeks Memorial Library
 Wilton School District
 Winchester School District
 Windsor School District
 Winnisquam Regional School District
 Woodsville Water & Light Dept.

EXHIBIT C BAN 900 RULES

CHAPTER Ban 900 PUBLIC DEPOSIT INVESTMENT POOL

PART Ban 901 PURPOSE

Ban 901.01 Purpose. The purpose of these rules is to implement the provisions of RSA 383:22 et seq., relative to the creation of a public deposit investment pool.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

PART Ban 902 DEFINITIONS

Ban 902.01 “Commissioner” means the New Hampshire banking department bank commissioner.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

Ban 902.02 “Committee” means the public deposit investment pool advisory committee established by RSA 383:24.

Source. #9702, eff 4-29-10

Ban 902.03 “Department” means the New Hampshire banking department.

Source. #9702, eff 4-29-10

Ban 902.04 “Pool” means the public deposit investment pool established by RSA 383:22.

Source. #9702, eff 4-29-10

Ban 902.05 “Proposal” means the submission to the commissioner and the committee of a response to the RFP by a proposer.

Source. #9702, eff 4-29-10

Ban 902.06 “Proposer” means a federally registered or federally exempt from registering investment manager or investment advisor who submits, or plans to submit, a proposal to administer, manage and advise the pool.

Source. #9702, eff 4-29-10

Ban 902.07 “Request for proposal (RFP)” means the solicitation of proposals from investment managers and investment advisors by the commissioner and the committee- pursuant to RSA 383:22, II.

Source. #9702, eff 4-29-10

PART Ban 903 REQUEST FOR PROPOSAL

Ban 903.01 Obtaining the RFP. A proposer may obtain the RFP by:

(a) Writing to:

Commissioner
New Hampshire Banking Department
53 Regional Drive, Suite 200
Concord, NH 03301

Attn: NH PDIP RFP; or

(b) Going online at <http://www.nh.gov/banking/>.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

PART Ban 904 FILING A PROPOSAL

Ban 904.01 Filing a Proposal. Proposers shall submit a proposal in the manner and within the time period set forth in the RFP.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

Ban 904.02 Late-filed Proposals. Proposals received after the date described in Ban 904.01 shall not be considered.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

Ban 904.03 Inquiries. Inquiries relative to the RFP shall be directed to the commissioner.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

Ban 904.04 Request for Additional Information. Proposers shall, upon request, provide the commissioner and the committee with additional information to assist the commissioner and the committee in their evaluation of the proposal.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

PART Ban 905 CRITERIA FOR REVIEWING PROPOSALS

Ban 905.01 Criteria.

(a) The criteria utilized by the commissioner and the committee to evaluate the proposals shall be set forth in the RFP and at a minimum include that the proposer:

- (1) Is an equal opportunity employer;
- (2) Possesses an understanding of, and the ability to execute, the pool's investment objectives and constraints;
- (3) Demonstrates a commitment to assign a qualified team of individuals to the pool;
- (4) Shows:
 - a. Recommendations for management approaches for the pool;
 - b. Additional investment or financial services available, or offered and available through affiliation;
 - c. Adequacy of financial controls and protection against loss; and
 - d. The potential success of a marketing plan;
- (5) Submits a clear and complete response to the RFP;
- (6) Proposes fees and compensation; and
- (7) Complies with applicable federal and state laws and regulations including those relating to safeguards that secure data and insurance.

(b) Other criteria may be utilized by the commissioner and the committee to evaluate proposals, depending on the particular RFP.

(c) Such criteria in (b) above may include, but not be limited to, a proposer who:

- (1) Possesses:
 - a. Resources with qualifications such as, but not limited to, personnel to execute the pool's objectives;
 - b. Experience in managing local government operating and capital funds and providing the administrative support for such management;

- c. Experience in managing the mechanics of processing paperwork and electronic data;
 - d. Administration and technology required for processing paperwork and electronic data related to pool operations; and
 - e. The ability to generate accurate and complete reports related to the pool; and
- (2) Demonstrated experience in management of assets of comparable size to the pool.

Source. #5368, eff 4-02-92, EXPIRED: 4-2-98

New. #9702, eff 4-29-10

Ban 905.02 Oral Presentation of Proposal.

(a) The commissioner and the committee, after reviewing the submitted proposals, shall request oral presentations of those proposers who:

- (1) Met the criteria in Ban 905.01; and
- (2) The commissioner and the committee have voted to interview to further clarify the qualifications of the proposer.

(b) Oral presentations shall be at the expense of the bidder.

Source. #9702, eff 4-29-10

APPENDIX

Rule	Statute
Part Ban 901 – Part Ban 905	RSA 383:23, III

EXHIBIT D TRANSACTION SAMPLE FOR FEE CALCULATION

Overnight Investment Rate (% of 90-Day Treasury Bill

Rate or Points Over/Under the 90-Day Treasury Bill Rate

<u>Daily Overnight Investment (Millions)</u> <u>Monthly</u>	<u>Income Credited Daily</u>	<u>Income Credited</u>
At least \$2 but less than \$5	_____	
At least \$5 but less than \$10	_____	
At least \$10 but less than \$15	_____	
At least \$15 but less than \$20	_____	
At least \$20 but less than \$25	_____	
\$25 or more	_____	

Bank credit rating: _____; rating agency: _____

EXHIBIT E INVESTMENT POLICY AND OBJECTIVES

EXHIBIT E INVESTMENT CRITERIA NEW HAMPSHIRE PUBLIC DEPOSIT INVESTMENT POOL

List of Permitted Investments

<u>Type</u>	<u>Portfolio % Limit</u>	<u>Maximum Maturity</u>	<u>Investment</u>	<u>Additional Qualifications and Comments</u>
A. U.S. Treasuries-Bills, Notes, and Bonds	None	397 days		
B. U.S. Government Agencies (Fixed Rate)	None	397 days	Restricted to: FNMA, FHLB, SLMA, FHLMC, FFCB, TVA	
C. U.S. Government Agencies (Floating Rate – quarterly or shorter resets)	50%	2 years	Restricted to: FNMA, FHLB, SLMA, FHLMC, FFCB, TVA. Restricted to single-index “par-centric” floaters pegged off money-market indices.	The following floaters are prohibited: Range, inverse or leveraged floaters; capped floaters; COFI or CMT floaters.
D. Asset-backed Securities	10% 5% per issuer	397 days	2a-7 eligible only. AAA/Aaa rated by S&P and Moody’s or equivalent short term rating (A1+/P1). Credit card and auto loan receivable backed deals only.	“Final maturity date” means unconditional payment of principal and interest prior to that date.
E. State of NH and NH municipality obligations	20%	1 year	A-/A3 or better rated by S&P and Moody’s.	

<u>Type</u>	<u>Portfolio % Limit</u>	<u>Maximum Maturity</u>	<u>Investment</u>	<u>Additional Qualifications and Comments</u>
F. Money Market Mutual Funds	20% 30%*		Limited to money market funds whose investments conform to the New Hampshire PDIP List of Permitted Investments.	*The Portfolio % Limit has been increased to 30% for as long as the Money Market Investor Funding Facility Program is in effect. Upon termination of the MMIFF program by the Federal Reserve, the Portfolio % Limit will revert back to 20%.
G. Short Term Corporate Obligations	75%		Overall limit includes domestic and yankee issues.	CP issuer min. net worth of \$100 MM. Portfolio must not own more than 10% of outstanding (CP) of an issuer.
<u>Commercial Paper (CP)</u>	75%		A1/P1 or better (except where noted below)	Negotiable CDs permitted.
Domestic CP	75% 10% per issuer	180 days	Overall limit includes domestic and yankee issues.	Japanese BAs, CDs permitted up to 5% of holdings, 30 days to maturity. A1/P1 or better only. Program Administrator approved names only.
<u>Certificates of Deposit (CDs)</u>	25%		A1/P1 or better except where noted below. Bank assets must be in excess of \$500 MM.	Program Administrator approved names only.
<u>Bankers Acceptances (BAs)</u>	25% 10% per issuer	120 days	Equity capital to asset ratio must equal or exceed 6%.	Program Administrator approved names only.
Domestic CDs, BAs				
In addition, the following limits apply for corporate debt obligations:			Non-performing assets to equity ratio may <u>not</u> exceed 35%.	
• Yankee CP, CD, BAs	20% 5% per issuer	90 days	A1/P1 or better only.	
• A2/P2 or split-rated (e.g. A2/P1 or A1/P2) CP, CDs or BAs	5% 1% per issuer	30 days	Domestic issuers only.	

<u>Type</u>	<u>Portfolio % Limit</u>	<u>Maximum Maturity</u>	<u>Investment</u>	<u>Additional Qualifications and Comments</u>
H. Repurchase Agreements	None 25%	<7 days >7 days in no case greater than 30 days	<p>102% collateralized by U.S. Treasury or Government Agency obligations.</p> <p>ARMs, CMOs, and structured notes not permitted.</p> <p>Deliverable (DVP) or Tri-Party permitted.</p> <p>Term repo must be marked to market daily. The Program Administrator must have record.</p>	<p>May be executed with primary dealers rated A1/P1 or better.</p> <p>Limited to 15% per counterparty for repos greater than overnight.</p> <p>PSA Master Repurchase Agreements and Tri-Party documentation must be on file with the Program Administrator prior to execution of any transaction.</p> <p>Quarterly evaluations of counterparties must be on file with the Program Administrator as well as annual review of custodian.</p>
I. Reverse Repurchase Agreements	25%	“Overnight” or “Open”	Cash collateral must equal 98% of securities reversed at all time, marked to market daily.	<p>May be executed only with primary dealers rated A1/P1 or better.</p> <p>Limited to 15% per counterparty.</p> <p>Reverses will be used for economic value or for liquidity purposes. Cash will only be invested overnight.</p>

<u>Type</u>	<u>Portfolio % Limit</u>	<u>Maximum Maturity</u>	<u>Investment</u>	<u>Additional Qualifications and Comments</u>
J. Collateralized Deposits	20%		FHLB LOC as collateral. Tri-Party.	Agreement Letter and Tri-Party Documentation must be on file with the Program Administrator prior to execution of the transaction. Quarterly evaluations of counterparties must be on file with the Program Administrator as well as annual review of custodian.
K. Temporary Liquidity Guarantee Program (TLGP)	50%	Final Maturities of 2 years or less	Direct investment or Repurchase Agreement with TLGP as collateral.	A temporary investment option for so long as the investments are guaranteed under the FDIC's Temporary Liquidity Guarantee Program and backed by the full faith and credit of the United States. The FDIC guarantee is expected to expire with the final maturity date of 6/30/2012, unless extended. No more than 5% invested with any one issuer.

Additional Guidelines Pertaining to All Securities Positions

No security with a maturity greater than 397 days may be purchased except for floating rate securities as described below.

The weighted average maturity (effective duration) of the entire portfolio may not exceed 90 days (0.25).

15% of the portfolio must be invested in “overnight” or other “immediately liquid” instruments.

The reset frequency of variable rate U.S. Government Agency obligations, rather than their nominal maturities, shall be used when calculating the weighted average maturity of the portfolio. Only those floaters which reset no less than quarterly and have final maturities of two years or less may be purchased henceforth.

Floaters which were purchased prior to 11/29/94 and do not conform to this List of Permitted Investments may continue to be held in the NHPDIP portfolio but should be sold if and when market conditions permit. If such a sale would cause the portfolio to realize a loss, the Program Administrator must be consulted, and its approval must be obtained before effecting the transaction.

Except for U.S. Treasury and U.S. Government Agency obligations and repo collateralized by U.S. Treasury or U.S. Government Agency obligations, no more than 10% of the portfolio may be invested in the obligations of any one issuer. (Letters of Credit and other guarantees shall be considered obligations of an issuer for purposes of this requirement.)